

Amendment No. 5 to SB3135

Fowler
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AMEND Senate Bill No. 3135

House Bill No. 3116*

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by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1.

(a) In order to ascertain the will of the people with respect to whether or not a limited constitutional convention should be called, there shall be submitted to the people of the state at the regular general election to be held on Tuesday, November 5, 2002, under the general election laws of the state in the several counties, the following question, which shall be printed in full on each ballot or voting machine, in words and figures substantially as follows:

"Question: Shall a limited convention be held to alter Article II, Section 28, of the present Constitution of the State of Tennessee, relative to taxation and expenditures?

_____FOR THE CONVENTION

_____AGAINST THE CONVENTION

Voters will indicate their choice by placing a cross mark (x) opposite one or the other of the above expressions."

(b) The proper officers in all counties shall immediately after the election make a return to the secretary of state of the number of votes cast in their respective counties "For the Convention" and the number of votes cast "Against the Convention", and after

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comparison of the returns by the secretary of state and the attorney general and reporter, the governor shall, by proclamation, announce the results.

(c) If the people approve the question and thereby authorize the convention, then delegates shall be elected at the regular general election to be held on Thursday, August 5, 2004, under the general election laws of the state in the several counties. There shall be thirty-three (33) delegates, with one delegate to be elected by the qualified voters of each state senate district from which members are elected to the senate of the Tennessee general assembly.

(d) Any person who is at least twenty-one (21) years of age, a citizen of the United States, and a citizen of Tennessee for three (3) years and a resident of the district for at least one year may become a candidate for delegate to the convention upon filing with the county election commission of the county of residence a nominating petition containing not less than twenty-five (25) names of legally qualified voters of the district. In the case of a candidate from a state senatorial district comprising more than one county, only one qualifying petition need be filed by the candidate, and that in the candidate's home county, with a certified copy thereof filed with the election commission of each of the other counties in the state senatorial district.

Notwithstanding any provision of law to the contrary, every person desiring to become a delegate to the convention shall qualify by filing a qualifying petition or petitions by 12:00 o'clock noon, prevailing time, on Wednesday, March 31, 2004. The names of candidates for the delegates to the convention shall be placed on the official ballot alphabetically without reference to political affiliation. Each voter shall cast a ballot

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for one delegate from the voter's senatorial district. The candidate from each state senatorial district who receives the greatest number of votes shall be the delegate from the senatorial district.

The returns from the various counties shall be certified to the secretary of state and canvassed by the secretary of state, the governor and the attorney general and reporter in the same manner and form as the returns are required to be certified from the election in which the people vote for and against the call of the convention, as provided in subsection (a), and the governor shall, by proclamation, announce the names of those elected as delegates to the convention. Delegates to the convention, elected and certified, shall receive a certificate of election signed by the governor and attested by the secretary of state under the great seal of the state.

(e) The delegates elected to the convention shall assemble in the chamber of the senate at Nashville at 12:00 o'clock noon on Tuesday, September 7, 2004, and organize by electing one of their members as president, another as secretary, and by electing such other officers as they consider necessary. If a majority of the delegates are not present on that date, then those present shall adjourn from day to day until a majority appears, when the convention shall be organized. The convention when organized may adopt its own rules of procedure and employ such clerks, stenographers, reporters, sergeants-at-arms, and other assistants as the convention considers necessary and fix the amount of their compensation.

The compensation of the delegates to the convention shall be a per diem allowance and mileage allowance in such amounts as may prevail, during the time the

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convention meets, for members of the general assembly, which shall be paid by the state in the same manner that members of the general assembly are paid, upon certification by the president and secretary of the convention. In case there shall be a vacancy in the membership of the convention, it shall be filled by election of the legislative body of the county of residence of the delegate whose seat becomes vacant.

(f) It is the duty of the secretary of state to make publication in at least one general circulation newspaper published in each county of the fact that a constitutional convention election is to be held in the state on Tuesday, November 5, 2002. Any county not having a general circulation newspaper shall be considered to have been notified by publication in the newspaper published in counties immediately adjacent thereto. The secretary of state shall also certify to the various election commissioners of the different counties the form for the ballot with reference to the constitutional convention election agreeable to the terms of this section and furnish the election commissioners with any other printed information pertaining to the election that is material or necessary. If the people vote in favor of the convention, then it is the duty of the secretary of state to issue a call for the election of delegates to the convention. The election shall be held in the various counties on Thursday, August 5, 2004, and the secretary of state shall certify to the various county election commissioners the form of the ballot to be used in the election of delegates as provided in subsection (d). All ballots used in the 2002 regular November election shall include the above question as to holding the limited constitutional convention, and the ballots used in the 2004 regular

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August election shall include the names of the candidates for delegates to such convention, if such convention is approved.

(g) The final action of the convention with respect to the alteration of Article II, Section 28 of the Constitution of the State of Tennessee, relative to taxation and expenditures, shall be duly certified by the president and the secretary of the convention and the original certified copy shall be transmitted to the secretary of state.

(h) Any amendment to Article II, Section 28 of the Constitution of the State of Tennessee, relative to taxation and expenditures, adopted by the convention shall be submitted to the voters of the state for ratification or rejection at an election to be held in such manner and on such date after the final adjournment of the convention as may be fixed and determined by the convention. The official ballot to be used in any such election shall be arranged so that the voter can vote separately for the ratification or rejection of each and every amendment. Any election so held shall be held under the general election laws of the state. When the election to ratify or reject any amendment to the constitution has been held, the various county election commissioners shall certify the results thereof in each county to the secretary of state, who, together with the governor and attorney general and reporter, shall canvass the returns and the governor shall issue a proclamation showing the results of the election on the ratification or rejection of the amendments. All amendments ratified and approved in the election held for that purpose shall be proclaimed by the governor as a part of the constitution of the state and such proclamation shall be filed in the office of the secretary of state.

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(i) All expenses in connection with the holding of any of the elections authorized by this section shall be paid by the commissioner of finance and administration on warrant drawn upon the treasurer upon certification by the secretary of state to the correctness of each account. No compensation shall be paid by the state to the various county election commissioners for their services or for rental space or quarters in the various counties for places for holding any elections herein authorized.

(j) Notwithstanding any provision of law to the contrary:

(1) Every person acting as a lobbyist at the constitutional convention shall be subject to the provisions of Title 3, Chapter 6, as if the convention constitutes an annual session of the general assembly;

(2) Every person serving as a delegate to, or an employee of, the constitutional convention shall be subject to the provisions of Title 2, Chapter 10, Part 1, as if the convention constitutes an annual session of the general assembly and such person is serving as a member or employee of the general assembly; and

(3) Every person serving as a delegate to, or an employee of, the constitutional convention (as well as such person's immediate family), shall be subject to the provisions of §3-6-108, as if the convention constitutes an annual session of the general assembly and such person is serving as a member or employee of the general assembly.

SECTION 2. [Effective 07/01/02, except as otherwise provided by §6]

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(a) Notwithstanding any provision of Title 67, Chapter 6, to the contrary, during the months of July, 2002, and August, 2002, the state tax rate set forth in the following sections, and in all sections imposing such rate by cross-reference to such sections, shall temporarily be raised from the current rate of six percent (6%) to the rate of seven percent (7%):

- (1) §67-6-103(f);
- (2) §67-6-202(a);
- (3) §67-6-203(a);
- (4) §§67-6-204(a) and (c); and
- (5) §67-6-205(a).

(b) Notwithstanding the provisions of §67-6-103(a)(3) or any other law to the contrary, all increased revenues attributable to the rate increase set forth in subsection (a) shall be paid into the state's general fund and shall be allocated exclusively for general state purposes.

(2) Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) The rate shall be two and fifteen one-hundredths cents (2.15¢) on each cigarette.

(3)

(a) Tennessee Code Annotated, Section 67-6-103(d), is amended by adding the following language as a new, appropriately designated subdivision:

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(3) Collection and distribution of state and local sales and use tax revenues pursuant to this subsection are subject to the provisions of §67-6-228(a).

(b) Tennessee Code Annotated, Section 7-88-106, is amended by adding the following language as a new, appropriately designated subsection:

(c) Collection and distribution of state and local sales and use tax revenues pursuant to this section are subject to the provisions of §67-6-228 (b).

(4) Tennessee Code Annotated, Section 67-6-206(b)(1), is amended by deleting the words, figures and symbols "one and one-half percent (1.5%)" and by substituting instead the following:

three percent (3%)

(5) Tennessee Code Annotated, Section 67-6-218, is amended by deleting from subsections (a) and (b) the words, figures and symbols "one and one-half percent (1.5%)" and by substituting instead the following:

three percent (3%)

(6) Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following language as a new, appropriately designated section:

§67-6-228.

(a)

(1) Notwithstanding any provision of this act or any other law to the contrary, the existence and rate of any tax imposed

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under Title 67, Chapter 6, Part 2, as of June 30, 2002, shall remain undiminished by the provisions of this act to the extent that such taxes are to be distributed pursuant to §67-6-103(d) under a financing arrangement in effect as of June 30, 2002; **provided, however, if** the rate of any such tax is increased on or after July 1, 2002, **then** those revenue collections that are attributable to such rate increase shall be paid into the state's general fund.

(2) Notwithstanding any provision of this act or any other law to the contrary, the existence and rate of any tax imposed under Title 67, Chapter 6, Part 7, as of June 30, 2002, shall remain undiminished by the provisions of this act to the extent that such taxes are to be distributed pursuant to §67-6-103(d) under a financing arrangement in effect as of June 30, 2002; **provided, however, if** the rate of any such tax is increased on or after July 1, 2002, **then** those revenue collections that are attributable to such rate increase shall be paid into the general fund of the municipality or the county, as appropriate.

(b)

(1) Notwithstanding any provision of this act or any other law to the contrary, the existence and rate of any tax imposed under Title 67, Chapter 6, Part 2, as of June 30, 2002, shall remain undiminished by the provisions of this act to the extent that

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such taxes are to be distributed pursuant to §7-88-106 under a financing arrangement in effect as of June 30, 2002; **provided, however, if** the rate of any such tax is increased on or after July 1, 2002, **then** those revenue collections that are attributable to such rate increase shall be paid into the state's general fund.

(2) Notwithstanding any provision of this act or any other law to the contrary, the existence and rate of any tax imposed under Title 67, Chapter 6, Part 7, as of June 30, 2002, shall remain undiminished by the provisions of this act to the extent that such taxes are to be distributed pursuant to §7-88-106 under a financing arrangement in effect as of June 30, 2002; **provided, however, if** the rate of any such tax is increased on or after July 1, 2002, **then** those revenue collections that are attributable to such rate increase shall be paid into the general fund of the municipality or county, as appropriate.

SECTION 3. [Effective 09/01/02, except as otherwise provided by §6]

(1) This section shall be known, and may be cited as, the "Motor Vehicle & Expanded Sales Tax Temporary Funding Plan."

(2) Tennessee Code Annotated, Section 67-4-506, is amended by deleting the section in its entirety.

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(a) Tennessee Code Annotated, Section 67-6-102(24)(F)(viii), is amended by deleting the following words, figures and symbols:

This subdivision (24)(F)(viii) does not apply to the renting or providing of space to a craft fair, antique mall, or book fair or gun show, if such gun show or book fair is sponsored by a not-for-profit corporation. This subdivision (24)(F)(viii) also does not apply to the renting or providing of space at a flea market or the renting or providing of space at conventions, trade shows, or expositions, if such conventions, trade shows, or expositions do not allow the general public to enter the exhibit area for the purpose of making sales or taking orders for sales

(b) Tennessee Code Annotated, Section 67-6-102(29), is amended by deleting the following words, figures and symbols:

"Tangible personal property" does not include utility poles, anchors, guys, and conduits, and such facilities shall be deemed to be real property for the purposes of this chapter

(c) Tennessee Code Annotated, Section 67-6-102(30)(D), is amended by deleting the words and symbol "public pay telephone services,".

(4)

(a) Tennessee Code Annotated, Sections 67-6-103(a)(3)(A), (B) and (E), are amended by deleting the words, figures and symbols "four and fifty-nine hundred twenty-five ten-thousands percent (4.5925%)" and by substituting instead the following:
three and seventy-four hundred thirty-seven ten-thousandths percent (3.7437%)

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(b) Tennessee Code Annotated, Section 67-6-103, is amended by deleting subsection (f).

(5)

(a) Tennessee Code Annotated, Section 67-6-202(a), is amended to substitute the following tax rate:

eight and three-fourths percent (8.75%)

(b) Tennessee Code Annotated, Section 67-6-202, is amended by adding the following language as a new, appropriately designated subsection:

(c) Notwithstanding any other provision of this chapter to the contrary, a tax is levied at the rate of two percent (2%) of the sales price of gasoline, fuel alcohol or substitute therefor, or diesel fuel or substitute therefor, when sold at retail in this state.

(6)

(a) Tennessee Code Annotated, Section 67-6-203(a), is amended to substitute the following tax rate:

eight and three-fourths percent (8.75%)

(b) Tennessee Code Annotated, Section 67-6-203, is amended by adding the following language as a new, appropriately designated subsection:

(d) Notwithstanding any other provision of this chapter to the contrary, a tax is levied at the rate of two percent (2%) of the cost price of gasoline, fuel alcohol or substitute therefor, diesel fuel or substitute therefor, when the same is not sold but is used, consumed, distributed or

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stored for use and consumption in this state; provided, that there shall be no duplication of the tax.

(7)

(a) Tennessee Code Annotated, Sections 67-6-204(a) and (c), are amended to substitute the following tax rate:

eight and three-fourths percent (8.75%)

(b) Tennessee Code Annotated, Section 67-6-204(b), is amended by deleting the subsection in its entirety.

(8)

(a) Tennessee Code Annotated, Section 67-6-205(a), is amended to substitute the following tax rate:

eight and three-fourths percent (8.75%)

(b) Tennessee Code Annotated, Section 67-6-205, is amended by adding the following language as a new, appropriately designated subsection:

(c) In addition to those services subject to taxation pursuant to subsection (a) on August 31, 2002, tax at the rate set forth in subsection (a) shall also be levied on the following services, regardless of the location of the service provider's place of business, whenever a charge is imposed for performance of the following services within the boundaries of this state:

(1) Disinfecting and pest control services to dwellings and other buildings;

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(2) Cleaning and maintenance services to dwellings and other buildings;

(3) Detective, security and armored services (including, but not necessarily limited to, detective agencies, fingerprint services, private investigators and security guards and personnel);

(4) Security systems services (including, but not necessarily limited to, installation, monitoring and maintenance of security systems devices, such as burglar and fire alarms and electronic surveillance cameras and equipment);

(5) Landscape and horticultural services (including, but not necessarily limited to, landscape design, counseling and planning; lawn and garden services; and ornamental plant, shrub and tree planting, grooming and maintenance services);

(6) Barbering services, as defined in §62-3-105, and cosmetology services, as defined in §62-4-102(a)(3); and

(7) Operator or crew services rendered with regard to any leased or rented personal property subject to taxation under §67-6-204.

(9) Tennessee Code Annotated, Section 67-6-212, is amended by deleting the section in its entirety and by substituting instead the following:

§67-6-212.

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(a) There is levied a tax at a rate of eight and three-fourths percent (8.75%) of the gross receipts or gross proceeds of each sale at retail of the following:

(1) Dues or fees to any membership sports, leisure or recreation club, including free or complimentary dues or fees, when such are made in connection with a valuable contribution to any such establishment or organization, which shall have the value equivalent to the charge that would otherwise have been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business;

(2) Sales of tickets, fees or other charges made for admission to or voluntary contributions made to any place of amusement, sports, entertainment, leisure, exhibition, display or any other recreational event or activity, including free or complimentary admissions when made in connection with a valuable contribution to any organization or establishment holding or sponsoring such activities which shall have the value equivalent to the charge that would have otherwise been made;

(3) Charges made for the privilege of entering or engaging in any kind of recreational or leisure activity, when no admission is charged spectators, such as tennis, racquetball or handball courts;

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(4) Charges made for the privilege of using tangible personal property for any amusement, sports, entertainment, leisure or recreational activity such as trampolines, golf carts, bowling shoes, skates or other sports and athletic equipment.

(5) Charges made for the privilege of occupancy in any hotel, motel, inn, tourist camp, tourist court, tourist cabin or any other place in which rooms, lodging or other accommodations are regularly furnished to transients for a consideration;

(6) Sales of any prepared food. As used in this item, "prepared food" means:

(A) Food that is sold in a heated state or is heated by the seller;

(B) Two (2) or more food ingredients that are mixed or combined by the seller for sale as a single item; or

(C) Food that is sold with eating utensils provided by the seller, (including plates, knives, forks, spoons, glasses, cups, napkins, or straws). "Prepared food" does not include food that is only sliced, repackaged or pasteurized by the seller or soft drinks sold in cans or bottles;

(7) Charges and fees made for short-term rentals of any automobile, passenger van or pickup truck. As used in this item,

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"short term" means any period of ninety (90) consecutive,
calendar days or less;

(8) Charges made for the privilege of using any machine or
device intended to provide the user any form of amusement,
entertainment, music or game; and

(9) Charges made for the privilege of using any vending
machine or device by which merchandise is sold or delivered to
the user.

(b) Free or complimentary dues or fees which shall have the value
equivalent to the charge that would have otherwise been made shall be
taxed under the provisions of this section, unless such free or
complimentary dues or fees are provided to persons who attend a public
school or public college or university.

(c) The provisions of this section shall not be construed to levy a
tax on any sale or transfer of any interest in real property, regardless of
whether or not such property is used for amusement or recreational
purposes.

(d) The provisions of this section taxing charges for admission
shall be construed to include all charges whatsoever made for admission
to professional sporting events, including any charge for a seat license,
skybox, luxury suite, or any other accommodation for spectators, whether
styled as a license, lease, rental or otherwise.

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(10) Tennessee Code Annotated, Section 67-6-217, is amended by deleting the words, figures and symbols "four and one-half percent (4.5%)" and by substituting instead the following:

eight and three-fourths percent (8.75%)

(11) Tennessee Code Annotated, Section 67-6-221(a), is amended by deleting the words, figure and symbols "seven and one-half percent (7.5%)" and by substituting instead the following:

eight and three-fourths percent (8.75%)

(12)

(a) Tennessee Code Annotated, Section 67-6-226, is amended by deleting the words, figures and symbols "eight and one-quarter percent (8.25%)" and by substituting instead the following:

eight and three-fourths percent (8.75%)

(b) Tennessee Code Annotated, Section 67-6-226, is further amended by deleting the following language:

, except such state tax shall not apply to television programming or television service charges or fees in an amount less than fifteen dollars (\$15.00) provided by a cable television service provider authorized pursuant to Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption

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(c) Tennessee Code Annotated, Section 67-6-227, is amended by deleting the words, figures and symbols "eight and one-quarter percent (8.25%)" and by substituting instead the following:

eight and three-fourths percent (8.75%)

(13) Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following language as new, appropriately designated sections:

§67-6-229.

(a) The retail sale of beer, wine and all other alcoholic beverages shall be taxed at the rate of eight and three-fourths percent (8.75%), regardless of whether sold for consumption on or off premises of the vendor.

(b) The retail sale of all tobacco products shall be taxed at the rate of eight and three-fourths percent (8.75%).

(c) For purposes of this section:

(1) "Beer, wine and all other alcoholic beverages" means and includes any beverage, however designated, that:

(A) Is suitable for human consumption;

(B) Contains one-half (1/2) of one (1) per cent or more of alcohol by volume; and

(C) Is regulated pursuant to the provisions of Title 57, Chapter 3, 4 or 5; and

(2) "Tobacco products" means and includes all cigarettes, cigars, cheroots, stogies, beedies, bidis, manufactured tobacco and snuff of all

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descriptions and designations, whether made of tobacco or any substitute therefor.

§67-6-230.

(a)

(1) Notwithstanding any provision of this chapter to the contrary, except as otherwise provided in subdivision (2), the retail sale of food and food ingredients for human consumption shall be taxed at the rate of four percent (4%).

(2) The retail sale of the following food and food ingredients shall be taxed at the rate levied by §67-6-212:

(A) Candy;

(B) Dietary supplements; and

(C) Prepared food.

(3) For purposes of this section:

(A) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy shall not include any preparation containing flour and shall require no refrigeration.

(B) "Dietary supplement" means any product, other than tobacco, intended to supplement the diet that:

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(i) Contains one or more of the following dietary ingredients:

(a) A vitamin;

(b) A mineral;

(c) An herb or other botanical;

(d) An amino acid;

(e) A dietary substance for use by humans

to supplement the diet by increasing the total

dietary intake; or

(f) A concentrate, metabolite, constituent,

extract, or combination of any ingredient described

above; and

(ii) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(iii) Is required to be labeled as a dietary supplement, identifiable by the "Supplement Facts" box found on the label and as required pursuant to 21 C.F.R. §101.36.

(C) "Prepared food" means:

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(i) Food sold in a heated state or heated by the seller;

(ii) Two (2) or more food ingredients mixed or combined by the seller for sale as a single item; or

(iii) Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws.

"Prepared food" does not include:

(a) Food that is only sliced, repackaged, or pasteurized by the seller; or

(b) Soft drinks sold in cans or bottles.

(b) Except as otherwise provided in this section, "food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value.

(c) As used in this section, "food and food ingredients" does not include:

(1) Beer, wine and all other alcoholic beverage, as defined in §67-6-229(c)(1); or

(2) Tobacco products, as defined in §67-6-229(c)(2).

(14) Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by deleting §§67-6-309 and 67-6-311.

(15) Tennessee Code Annotated, Section 67-6-329(a), is amended by

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deleting subdivisions (1), (2) and (17).

(16) Tennessee Code Annotated, Section 67-6-330(a), is amended by deleting subdivisions (3), (10), (14) and (19).

(17) Tennessee Code Annotated, Section 67-6-349, is amended by deleting the section in its entirety.

(18) Tennessee Code Annotated, Section 67-6-351, is amended by deleting the section in its entirety.

(19)

(a) Except as otherwise provided by the provisions of §§67-6-228(a)(2) or (b)(2), Tennessee Code Annotated, Title 67, Chapter 6, is amended by deleting §§67-6-701 through 67-6-710, 67-6-713 and 67-6-714 for transactions occurring on or after September 1, 2002.

(b) Tennessee Code Annotated, Section 67-6-712(a), is amended by deleting the words and punctuation "The tax levied by a county under this part shall be distributed as follows:" and by substituting instead the following:

Estimates, distributions and expenditures of proceeds pursuant to §67-6-715(b) shall be subject to the following requirements:

(c) Tennessee Code Annotated, Title 67, Chapter 6, Part 7, is amended by adding the following language as a new, appropriately designated section:

§ 67-6-715.

(a) Notwithstanding any provision of law to the contrary, in accordance with estimates developed by the department of

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revenue pursuant to subsection (b), a sum shall be earmarked and allocated from the general fund each fiscal year in order to substantially reimburse counties and municipalities for loss of revenue resulting from amendments to Title 67, Chapter 6, Part 7, provided in Section 3(19)(a) of this act.

(b) For fiscal year 2002-2003 and for any subsequent fiscal year during which Section 3(19)(a) is effective, the department of revenue shall estimate for each county and municipality the loss of local option sales tax revenue resulting from amendments to Title 67, Chapter 6, Part 7, provided in Section 3(19)(a) of this act. In calculating such estimate, the department shall utilize the local option sales tax rate in effect in such county or municipality on May 15, 2002; as well as the single article cap imposed by §67-6-702(a)(1) on May 15, 2002; as well as the local tax rate allocation in effect in such county or municipality on August 31, 2002, pursuant to the provisions of Sections 9 and 10 of Chapter No. 719 of the Public Acts of 2002; as well as the provisions of §§6-51-115, 67-6-228(a)(2) and 67-6-228(b)(2). The department shall also utilize any other data or information that the department deems relevant. In accordance with such estimate and subject to the provisions of subsection (c) and §67-6-712, each county and municipality shall receive an amount that is approximately equal to

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the amount of local option sales tax that the county or municipality would have received during the fiscal year, in the absence of Section 3(19)(a) of this act. It is the legislative intent that distributions made pursuant to this subsection shall be subject to the distribution and expenditure requirements of §67-6-712.

(c) From the sum earmarked, allocated and distributed each fiscal year to counties and municipalities pursuant to this section, one and one hundred twenty-five thousandths percent (1.125%) shall be retained by the department of revenue to cover the state's expenses in implementing and administering the provisions of this section and in distributing such funds to counties and municipalities.

(20)

(a) Tennessee Code Annotated, Section 55-4-111(a)(1), Class (A), is amended by deleting the figures and symbol "11.75" and by substituting instead the following:

61.75

(b) Tennessee Code Annotated, Section 55-4-111(a)(1), Class (B), is amended by deleting the figures and symbol "18.75" and by substituting instead the following:

68.75

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(c) Tennessee Code Annotated, Section 55-4-111(a)(1), Class (C), is amended by deleting the figures and symbol "25.00" and by substituting instead the following:

75.00

(d) Tennessee Code Annotated, Section 55-4-111(a), is amended by adding the following language as a new, appropriately designated subdivision:

(3) Notwithstanding any provision of law to the contrary, increased revenues attributable to amendments set forth within Sections 3(20)(a), (b) and (c) of this act shall be deposited in the general fund and shall be utilized for general state purposes.

SECTION 4.

(a) In accordance with the provisions of Title 4, Chapter 5, the department of revenue and the department of safety are each authorized to promulgate such rules, including emergency and public necessity rules, as may be necessary to ensure and promote the efficient, effective and timely implementation of this act and collection of taxes imposed in Sections 2 and 3.

(b) Notwithstanding any provision of this act to the contrary, in accordance with the provisions of Title 4, Chapter 5, the department of revenue is authorized by rule to temporarily adjust and correct the local-share rate, otherwise established by Section 3(4)(a) of this act, as may be necessary to ensure that such local-share percentage rate collectively produces, for fiscal year 2002-2003, local-share revenues approximately equal to such local-share revenues produced during fiscal year 2001-2002.

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SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, **then** such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6.

(a)

(1) For purposes of rule promulgation, including emergency and public necessity rules, this act shall take effect on becoming law, the public welfare requiring it; and

(2) For purposes of administrative preparation and implementation activities necessary and preliminary to the efficient, effective and timely collection of taxes levied by Sections 2 and 3, this act shall take effect on becoming law, the public welfare requiring it.

(b) Sections 1, 4 and 5 of this act shall take effect on becoming law, the public welfare requiring it.

(c) For all other purposes,

(1) Section 2 of this act shall take effect on July 1, 2002; and

(2) Section 3 of this act shall take effect on September 1, 2002, the public welfare requiring it, and shall remain in effect through December 31, 2005, at which time:

(A) Section 3 is hereby repealed; and

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(B) The language of Title 55, Chapter 4, Part 1; Title 67, Chapter 4; and Title 67, Chapter 6; (to the extent such language is altered by the provisions of Section 3), is revived and restored to its status as of August 31, 2002.

(d) The Tennessee Code Commission is hereby authorized to make such changes to the text of Tennessee Code Annotated as shall be necessary to implement the purpose and intent of Section 6(c) of this act.

(e) Notwithstanding any provision of this act to the contrary, Section 7 of this act shall take effect on becoming a law, the public welfare requiring it, and is repealed on January 1, 2003.

SECTION 7.

(a) Notwithstanding any provision of law to the contrary, subject to the specific provisions of an appropriations act, the commissioner of finance and administration is authorized to deny carryforwards for, and to transfer funds from, the funds, reserve accounts or programs identified in subsection (c) to the state general fund for the sole purpose of meeting the requirements of funding the operations of state government for the fiscal year ending June 30, 2002. This authority shall not extend beyond transfers and denials of carryforwards necessary to close the fiscal year ending June 30, 2002.

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(b) No funds shall be transferred unless specifically appropriated in an appropriations act and such funds shall only be expended in accordance with the provisions of such act.

(c) Transfers are authorized from the following funds, reserve accounts, and programs:

(1) Tennessee Housing Development Authority assets fund created or referenced in title 13, chapter 23, part 4;

(2) Criminal injuries compensation fund created or referenced in title 40, chapter 24, part 1;

(3) Parole and probation supervision and rehabilitation accumulated fees created or referenced in title 40, chapter 28, part 2;

(4) Department of correction work release supervision and rehabilitation accumulated fees created or referenced in title 40, chapter 28, part 2;

(5) Temporary assistance for needy families Families First program created or referenced in title 71, chapter 3, part 1;

(6) Department of safety computerized titling and registration system accumulated fees created or referenced in title 55, chapter 4, part 1;

(7) Wetland acquisition fund created or referenced in title 67, chapter 4, part 4;

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(8) Wetland compensation fund created or referenced in title 11,
chapter 14, part 4;

(9) Local parks land acquisition fund created or referenced in title
67, chapter 4, part 4;

(10) State lands acquisition fund created or referenced in title 67,
chapter 4, part 4;

(11) State lands compensation fund created or referenced in title
11, chapter 14, part 4;

(12) Agriculture resources conservation fund created or
referenced in title 67, chapter 4, part 4;

(13) Alcohol and drug addiction treatment fund created or
referenced in title 40, chapter 33, part 2;

(14) Traumatic brain injury fund created or referenced in title 68,
chapter 55, part 4;

(15) Finance and administration electronic fingerprint imaging
systems fund created or referenced in title 67, chapter 4, part 6;

(16) Tennessee bureau of investigation finger print criminal
history data base accumulated fees created or referenced in title 39,
chapter 17, part 13;

(17) Tennessee bureau of investigation expunged criminal
offender and pretrial diversion data base accumulated fees created or
referenced in title 38, chapter 6, part 1 and title 40, chapter 32, part 1;

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(18) Department of safety driver education fund created or referenced in title 67, chapter 4, part 6;

(19) Department of education driver education fund created or referenced in title 67, chapter 4, part 6;

(20) Motorcycle rider safety fund created or referenced in title 55, chapter 51, part 1;

(21) Sex offender treatment program created or referenced in title 39, chapter 13, part 7;

(22) Industries for the blind fund created or referenced in title 71, chapter 4, part 4;

(23) Voting machines loan fund created or referenced in title 2, chapter 9, part 1;

(24) Domestic violence community education fund created or referenced in title 36, chapter 3, part 6;

(25) Tennessee judicial information system fund created or referenced in title 16, chapter 3, part 8;

(26) Tennessee advisory commission on intergovernmental relations accumulated balances or carryover funds created or referenced in title 4, chapter 10, part 1;

(27) Safe schools program created or referenced in title 49, chapter 6, part 43;

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(28) Special schools created or referenced in title 49, chapter 50, part 10;

(29) Notwithstanding § 54-2-102, § 54-2-103 or any other provision of law to the contrary, department of transportation funds in the highway fund, or other funds, created or referenced in titles 54, 55, 65 and 67;

(30) Fraud and economic crimes fund created or referenced in title 40, chapter 3, part 2;

(31) Emergency communications fund created or referenced in title 7, chapter 86, part 1;

(32) Deferred revenue account created or referenced in title 65, chapter 1, part 2, and any other reserve fund maintained by the Tennessee regulatory authority;

(33) Wildlife resources fund created or referenced in title 70, chapter 1, part 4; and

(34) Wildlife management endowment fund created or referenced in title 70, chapter 1, part 5.